

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE POSTAL RATE BOARD

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS KASHANI TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T14-4-5)

The United States Postal Service hereby provides the responses of witness Kashani to the following interrogatories of the Office of the Consumer Advocate:

OCA/USPS-T14-4-5, filed on February 16, 2000.

Each interrogatory is stated verbatim and is followed by the response.
Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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March 1, 2000

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KASHANI
TO INTERROGATORY OF
OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T14-4. The following refers to Exhibit 14A, pages 9 through 10, of your testimony.

- (a) Exhibit 14A does not provide the GFY98, GFY99, GFY00 and GFY01 volumes used for the following categories of special services: (1) stamped envelopes, and (2) P.O. Boxes. Please provide the volumes used to generate the "MV Change" in the RAT2FACT files for FY98, FY99, FY00, and FY01.
- (b) Please confirm that there are no volumes for the GFY98, GFY99, GFY00, and GFY01 for stamped cards and special handling. If you are unable to confirm, please provide the volumes and update each of the applicable RAT2FACT files.

RESPONSE

- a) The mail volumes for stamped Envelopes and P.O. Boxes for GFY98, GFY99, GFY00, and GFY01 are listed below:

Fiscal Year	Mail Volume	
	Stamped Envelopes 1/	P.O. Boxes 2/
FY 1998	460,168,809	16,781,279
FY 1999	400,000,000	17,285,252
FY 2000	400,000,000	17,609,240
FY 2001 Before Rates	400,000,000	17,995,845
FY 2001 After Rates	400,000,000	17,674,467

1/ Source: USPS-T-39, WP-28

2/ Source: USPS-T-40, Workpapers 11, 14, 16, 18, 31

- b) Confirmed.

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OCA/USPS-T14-5. Please refer to the response of witness Tolley to POIR No. 1, question 1, and the response of witness Hunter, to question 2. Please confirm that the 2001 TYBR volumes he indicates in the "First Forecast", are the volumes you should have used. If you confirm, please show the impact using the correct volumes would have on your roll-forward data. If you are unable to confirm, please explain.

RESPONSE

Confirmed. The attached spreadsheet (Attachment I) shows an analysis of the effect of using both versions of Periodicals mail volumes. An electronic version of Attachment I is provided in USPS-LR-I-199.

Attachment I

	TY 2001 BR With Correct FY 1999 RPW Volume			TY 2001 BR with Preliminary FY 1999 RPW Volume			Change from TY 2001 with Correct FY 1999 RPW Volume		
	Volume Variable Cost 1/	Volume	Unit Cost	Volume Variable Cost 1/	Volume 3/	Unit Cost	Volume Variable Cost	Volume	Unit Cost
Periodicals:									
In-County	80,212	872,194	0.0920	80,212	872,194	0.0920	0	0	0.0000
Regular	1,946,901	7,410,104	0.2627	1,981,712	7,545,945	0.2626	34,811	135,841	-0.0001
Nonprofit	386,604	2,095,809	0.1845	361,241	1,954,453	0.1848	-25,363	-141,356	0.0004
Classroom	13,988	56,415	0.2479	13,938	56,153	0.2482	-50	-262	0.0003
Total Reg+Nonprft	2,333,505	9,505,913	0.2455	2,342,953	9,500,398	0.2466	9,448	-5,515	0.0011
	FY 2000 With Correct FY 1999 RPW Volume			FY 2000 with Preliminary FY 1999 RPW Volume			Change from FY 2000 with Correct FY 1999 RPW Volume		
	Volume Variable Cost 1/	Volume	Unit Cost	Volume Variable Cost 1/	Volume 3/	Unit Cost	Volume Variable Cost	Volume	Unit Cost
Periodicals:									
In-County	79,398	892,821	0.0889	79,400	892,821	0.0889	2	0	0.0000
Regular	1,882,570	7,327,818	0.2569	1,915,023	7,457,452	0.2568	32,453	129,634	-0.0001
Nonprofit	380,213	2,118,588	0.1795	357,522	1,988,739	0.1798	-22,691	-129,849	0.0003
Classroom	14,216	58,452	0.2432	14,158	58,182	0.2433	-58	-270	0.0001
Total Reg+Nonprft	2,262,783	9,446,406	0.2395	2,272,545	9,446,191	0.2406	9,762	-215	0.0010
	FY 1999 With Correct FY 1999 RPW Volume			FY 1999 with Preliminary FY 1999 RPW Volume			Change from FY 1999 with Correct FY 1999 RPW Volume		
	Volume Variable Cost 1/	Volume	Unit Cost	Volume Variable Cost 1/	Volume 2/	Unit Cost	Volume Variable Cost	Volume	Unit Cost
Periodicals:									
In-County	76,975	893,454	0.0862	76,976	893,454	0.0862	1	0	0.0000
Regular	1,805,675	7,200,355	0.2508	1,840,982	7,345,117	0.2506	35,307	144,762	-0.0001
Nonprofit	370,926	2,120,463	0.1749	346,329	1,975,997	0.1753	-24,597	-144,466	0.0003
Classroom	14,139	59,555	0.2374	14,074	59,259	0.2375	-65	-296	0.0001
Total Reg+Nonprft	2,176,601	9,320,818	0.2335	2,187,311	9,321,114	0.2347	10,710	296	0.0011

Note:
 1/ Source: Rollforward
 2/ FY 1999 volumes come from a preliminary version of RPW report. Please see response of witness Hunter to item 2 of POIR 1.
 3/ FY 2000 and Test Year Before Rates volumes are based on the unrevised TYBY forecast. Please refer to response of witness Tolley to item 1 of POIR 1.

ATTACHMENT 1
 DCA/USPS-T17-5

DECLARATION

I, Cameron Kashani, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Cameron Kashani

Dated: 3/1/2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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